



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO

AQOF

JUL 10 1997

MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS
COMMANDERS, DCMC CONTRACT ADMINISTRATION
OFFICES

SUBJECT: Request for Life Cycle Cost Reduction Award Nominees

Attached is a request for nominations for the second annual Life Cycle Cost Reduction award. This year the award was expanded to include the acquisition community. I encourage you to take this opportunity, to have our employees recognized for their efforts in improving logistics support systems, and reducing system life cycle costs.

The point of contact for the award at DCMC headquarters is Mr. Mike Ferraro. Please make electronic submittals concurrently to both him (mike_ferraro@hq.dla.mil) and the point of contact for your district. If you have any questions or would like to discuss your packages prior to submittal, Mike can be contacted at (703) 767-3352.


JILL E. PETTIBONE
Executive Director
Contract Management Policy

Attachment
Award Nomination Package



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010

JUN 26 1997



MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Request for Life Cycle Cost Reduction Award Nominees

Request nominations for the subject award. Nominees may be individuals, teams, or organizations responsible for outstanding, innovative practices or proposals currently in process which contribute to improving the logistics support system and reducing life cycle costs of either new or fielded systems.

The specific eligibility and submission requirements are attached. Please make wide dissemination of this memorandum and note that the submissions must be submitted electronically not later than August 1, 1997.

R. Noel Longuemare
Acting Under Secretary of Defense
(Acquisition and Technology)

Attachment:
As stated



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MANUFACTURERS ALLIANCE FOR PRODUCTIVITY AND INNOVATION
PROFESSIONAL SERVICES COUNCIL
SHIPBUILDERS COUNCIL OF AMERICA

General Requirements for the 1997 DoD Logistics Life Cycle Cost Reduction Award

1. Potential for 7 awards as follows:

- Army
- Navy
- Air Force
- Marine Corps
- Defense Agency
- Industry
- DoD (this to be presented to the highest weighted of all nominations)

2. Eligibility. All industry or DoD military and civilian personnel (individuals or teams) responsible for outstanding, innovative practices or proposals currently in process which contribute to improving the logistics support system and reducing life cycle costs of either a new or fielded system. The six 1996 recipients of this award will not be considered *for the same project/effort* in 1997. The individuals and teams are not precluded from being nominated for other efforts.

3. The projects nominated must be current projects with savings being realized in 1997 through 2007.

4. Submissions are to be in the attached format and submitted electronically to the Office of the Assistant Deputy Under Secretary of Defense (Corporate Logistics Integration Office) ***heineld@acq.osd.mil***. Must be received by COB August 1, 1997.

5. The information on the Fact Sheet is required for consideration. Additional pertinent information is welcome as attachments. Examples of information that may increase the weighting of projects are: The selection process will consider the following factors:

- Savings information, including Investment amount, Payback time, and Return on Investment information
- Identification of Specific innovations implemented, such as new technology insertion, embedded training, open systems, etc.
- Applicability of improvement beyond the current project. That is, the widespread applicability of the improvement throughout the Department, or jointly implementation or use by more than one component.
- Qualitative improvements/innovations. [E.g., reduced cycle times, improved quality, or other value added.]

6. Definition of terms used on Fact Sheet

Investment Amount: The total amount of funding required to complete the project.

Payback Time: The amount of time, in years and months, required to recoup the total investment amount.

Return on Investment: Savings during a specified period divided by the total investment costs. (The term “investment” includes those necessary activities to adapt, integrate, test, acquire components and parts, install, and field a developed technology or process to reduce system cost of ownership.)

Savings = (Cost of funded operations with existing approach) minus (Cost of operations with the project implemented). Include the transition period (from start of project until complete installation/deployment of the modification) in the cost of operations with project implemented.]

**1997 Department of Defense
Logistics Life Cycle Cost Reduction Awards**

**Submission Requirements/Format
(Please limit submission to 2 pages)**

Submitting Activity:

Nominee (project, individual, or team): (if team, include team members names)

- Name
- Title
- Project (if applicable)
- Mailing Address
- Telephone#

Reference/for questions regarding nomination:

- Name
- Title
- Telephone#

Project description: Provide a succinct description of the project/achievement here. Identify the technology, process or standard which enabled the life cycle cost reduction/savings. Additional pertinent information is welcome as attachments.

Savings:

Investment amount: Total amount required to complete the project.

Savings: (not avoidances): Indicate how the savings are validated.

Payback time: Time in years/months to recoup investment.

Return on investment (ROI) for 10 years (e.g. 1997-2007). ROI beyond the ten years may be included in addition.

Specific innovations implemented:

Applicability of improvements beyond the current project:

Qualitative improvements/innovations: [E.g., reduced cycle times, improved quality, or other value added.]

Additional Information. Additional pertinent information that may aid review and understanding of projects is encouraged, and should be included as attachments.